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Retail Food Sector

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MARKET SUMMARY

The combined effects of the Asian economic crisis and El Nino drought significantly slowed the growth of the Philippine economy in 1997 and 1998. Food prices soared as the adverse effects of the drought led to a lean annual harvest. Foreign exchange fluctuations, which also resulted from the crisis, affected the purchasing power of the peso. A shift was observed in purchases of Filipino families. Products were purchased based on how much money the consumer had in his pocket at the time the item was needed.

However, unlike other ASEAN countries that posted negative growth rates, the Philippines still posted a modest growth of 0.10percent in 1998. The following year (1999), GNP growth was 3.6percent led by a strong rebound in agricultural output. Projected GNP growth for 2000 is 4.5percent and 5.5percent for year 2001.

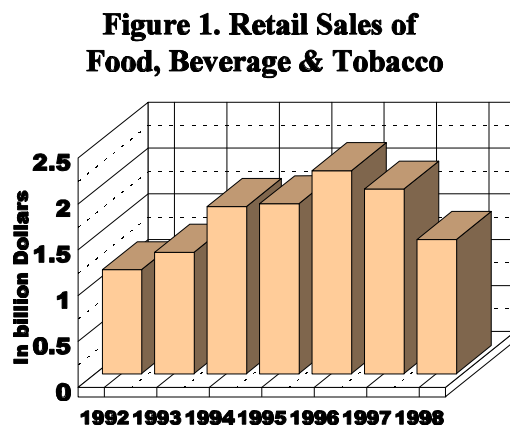
The agriculture sector is being credited for sustaining the economy in 1999. The sector peaked at 11 per cent growth in the second quarter of last year and is expected to grow by 5.7 per cent in 2000. A bountiful harvest resulted in the continued decline in the prices of basic foodstuffs. This decline ensured the deceleration of the country's annual inflation rate to 3 percent during the first quarter of 2000. Rising fuel prices and utility rates and combined with the effects of the recent peso depreciation middle of the year will likely accelerate inflation to the range of 5- 6 percent this year.

C Description of the sub-sectors

Super Centers / Hyper Markets / Warehouse Stores / Wholesale Club	Large supermarket stores (in terms of area or space occupied), self-service. Usually arrange items in a warehouse type setting (up to the ceiling racks/shelves). Offer a wide variety of food and non-food items. Non-food items offered include: furniture, appliances, clothes, etc.
Supermarket/Grocery	Mostly located inside shopping malls, department stores or within a commercial complex. Range from large state-of-the-art to small.
Convenience stores/gas marts/kiosks	Have longer operating hours (usually on a 24 hr. basis) and can be found mostly beside gasoline stations or near intersections. Have limited line of food and non-food items with some sort of fast food services.
"Mom & Pop"/Sari-Sari Stores	Neighborhood stores owned and managed by a household in the community, selling a variety of essential items such as rice, cooking oil, sugar, etc. Much smaller than convenience stores, they are usually built within or beside operator/owner's own house.
Wet Markets	Usually sell "fresh" meat, fish, vegetables, fruits and other items. Mostly local products but some imported items, especially fresh fruits.

C Retail Food Sales, 1992 - 1998

Retail sales of Food, Beverage & Tobacco grew by an average of 15 percent annually from 1992 to 1995 (latest figures from NSO). In 1995, total revenues amounted to ₱47.6 billion (\$1.85 billion), a slight decrease of 1.33 percent from the recorded sales of ₱48.2 billion (\$1.82 billion) in 1994. The National Statistical Coordination Board (NSCB) estimated the annual growth rate of this sector to be 22 percent from 1995 to 1996, 2 percent from 1996 to 1997 and 1 percent from 1997 to 1998. Decreasing growth rate seen in Figure 1 is mainly due to the devaluation of the peso starting in 1997.



Source: National Statistics Office (NSO)

Table 1. Retail Sales of Food, Beverage & Tobacco (value in billions)

	1992	1993	1994	1995	1996*	1997*	1998*
In ₱ percent Change	28.95	35.53 +22.7	48.24 +35.8	47.61 -1.3	58.07 +22.0	59.23 +2.0	59.82 +1.0
In \$ percent Change	1.13	1.32 +16.8	1.82 +37.9	1.85 +1.6	2.21 +19.5	2.01 -9.1	1.46 -27.4

*Estimated

Source: National Statistics Office (NSO)

Note: Exchange Rate/yr. were based on Bangko Sentral ng Pilipinas' ave. rate/yr.

Table 1 shows that in peso terms, retail sales of food, beverage and tobacco have maintained good growth - more than doubling between 1992 and 1998. However, Table 1 and Figure 1 also show that these sales have been more erratic in dollar terms - up only 29 percent for the 1992-1998 period. While 1999 data is not yet available, it is expected to show strong growth in both peso and dollar terms.

C Table 2. Food Imports, 1994 -1998 (in \$ millions)

	1994	1995	1996	1997	1998

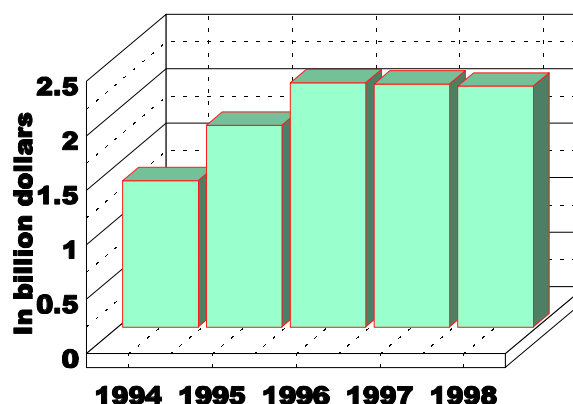
Processed Food percent Change	786	1,038 +32.1	1,045 +0.1	1,152 +10.2	946 -17.9
Fresh Foods percent Change	550	812 +47.6	1,192 +46.8	1,075 -9.8	1,268 +18.0
Total percent Change	1,336	1,851 +38.5	2,237 +20.9	2,227 -0.5	2,214 -0.6

Source: National Statistics Office (NSO)

The greatest impact of the regional economic crisis and devaluation are seen in the food import numbers. Total food imports in 1998 amounted to \$2.21 billion, a slight decrease of 0.6 percent from the \$2.22 billion value in 1997. In 1998, 57 percent of food imports were fresh foods, while 43 percent were processed foods. The value of fresh food imports increased by 18 percent from 1997 to 1998.

Processed food, on the other hand, recorded a decrease in value by 17.9 percent in 1998. Overall, total food imports grew by an average of 14.6 percent from 1994 to 1998. When available, food import values are expected to show strong growth in 1999 and 2000.

Figure 2. Total Food Imports



C Domestic Food Production

Total output value of the Food Manufacturing Sector has been on an uptrend. The sector grew by an average of 13.64 percent per year from 1993 to 1998. Total value increased to P302.67 billion (\$7.41 billion) in 1998 from P266.43 billion (\$9.05 billion) in 1997, or an increase of 13.6 percent. Equivalent dollar value, however, reflects a decrease due to the devaluation of the peso.

Figure 3. Food Manufacturing Value of Output

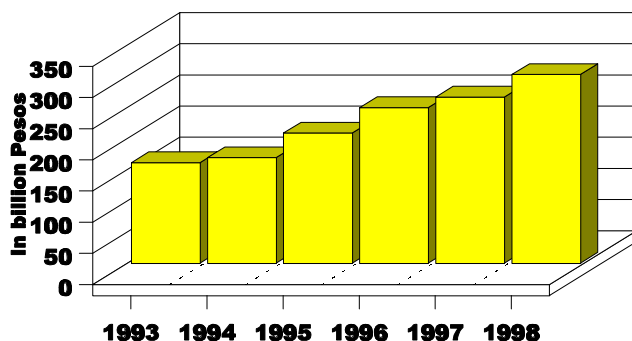


Table 3. Food Manufacturing Value of Output (value in billions)

Year	1993	1994	1995	1996	1997	1998*
in P	161.083	169.190	208.632	249.365	266.427	302.66
% Change		+5.0	+23.3	+19.5	+6.8	+13.6
in \$	5.968	6.395	8.117	9.512	9.053	7.41
% Change		+7.2	+26.9	+17.2	- 4.8	-18.1

Source: National Statistics Office (NSO)

Note: Exchange Rate/yr. were based on Bangko Sentral ng Pilipinas' ave. rate/yr.

*Estimate based on growth rate

The greatest challenge to the domestic food processing industry is the limited and unstable supply of domestic inputs resulting in prices that can at times be higher than world market prices. This is largely due to inefficient and at times non-existent post-harvest and storage facilities and inadequate farm to market support. Electricity cost in the Philippines is one of the highest in Asia. Philippine food manufacturers and processors are increasingly relying on imported food ingredients and packaging materials. There is an abundance of skilled workers but the domestic processing industry needs to modernize and upgrade facilities to maintain its competitive advantage. There has been considerable improvement, particularly for the bigger companies whose financial capabilities are able to support expensive capital outlays. Some companies have qualified and are ISO-certified. However, there is still a significant percentage of backyard processors, especially, in rural areas using manual processes.

C Expected Growth Rate of the Overall Food Retail Market and Sub-Sectors

Based on interviews, the food retail industry may be expected to grow annually by as much as 20-25 percent within the next two to three years. There will always be growth in the food sector as observed by industry analysts, food being one of the basic necessities for an ever increasing population. The number of retail establishments registered flat growth in the early 1990's. There was a strong growth of retailers, both in number of stores and store sizes, during the period 1994-1997 although this has been tempered by the Asian economic crisis which started in 1997. Sales revenues of the food retail sector also showed annual growth of 15 percent during the same period.

The recent retail trade liberalization which finally allows foreign retailers to operate in the Philippines is expected to infuse increased efficiency in the retail sector from which Filipino consumers stand to reap the most benefits. The arrival of foreign, particularly American, retailers will be a boon to U.S. food imports.

Government infrastructure development may boost continued overall food retail industry growth. Aside from Metro Manila, growth will be fast in other emerging urban areas, particularly in the southern Philippines (Cebu and Davao) where tourism, infrastructure, and economic zones have been developed. Cebu alone has proposed to implement P157.86 million worth of infrastructure projects in the year 2000. A total of 20 projects have been lined up for Cebu province, mostly road concreting and improvements, as well as flyover projects in the city. Davao's infrastructure is also evolving to meet the growth of the city. The city government is said to be spending up to P7 billion to upgrade its roads, bridges, etc. and a new international airport is under construction. These developments will attract more investments into these areas, paving the way for a rise in urban population, more jobs for the local people and an upgrade in their standard of living.

C Trends in Distribution Channels

There are no perceivable changes in the present practice of distribution. Distributors, wholesalers, retailers, and agents or middle men continue to be present in the distribution channel. For big supermarkets, hyper marts etc, importer/distributors can be in direct contact with them. For smaller stores, such as "mom and pop" or sari sari stores, agents or middle men are usually the ones in contact with the store owners.

It may also be noted that there are big distributors which employ sub-distributors particularly for the rural areas or provinces. While this practice reduces the distributor's mark-up, they definitely increase their sales volume.

Although infrastructure has improved, there is a lot of room for improvement. Traffic in the urban areas, particularly Metro Manila, is contributing to delays in the distribution of goods and, therefore, higher costs.

Only a few retailers import directly and thus imported products are usually sourced from local importer/distributors. Retailers currently have limited control over imported products that are available. Some bigger retailers may identify products but will still engage the services of an importer or trader to arrange for product delivery. The retail trade liberalization has encouraged local retailers to reconsider current practices such that combined purchasing, among several entities is now being considered. This will still likely involve the services of an importer or trader because of food registration requirements with the Philippine Bureau of Food and Drug.

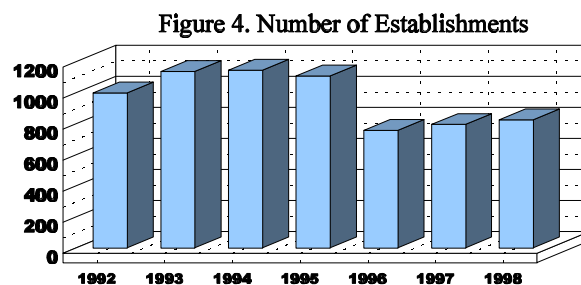
Communication between supplier and retailer has also improved. Supervalu Inc. (SM Supermarket) and Pilipinas Makro have already computerized their operations. Supervalu Inc. is currently using their web page in the Internet to communicate with present and potential suppliers their purchase orders, announcements of product returns, etc. Pilipinas Makro uses computers for reordering, stock control, invoicing customers' purchases and a scanning system that ensures fast and correct billing to guarantee accurate invoices.

C Table 4. Number of Retail Outlets

Year	No. of Establishments
1993	1,136
1994	1,145
1995	1,107
1996*	757
1997*	792
1998*	824

*preliminary

Source: National Statistics Office (NSO)



The number of establishments declined by as much as 32 percent between 1995 to 1996. This decline was due to the reclassification of the Philippine Standard Industrial Code (PSIC) by the National Statistics Office. The reclassification was made due to changes of activities of some of the

establishments (which have refrained from retailing) as well as the changes in size of employment (most establishments decreased the number of their employees)

However, preliminary figures for 1997 and 1998 still reflected a growth of 4 - 5 percent since food is considered a basic necessity.

C Trends in Services Offered by Food Retailers

Internet shopping has been introduced by Rustans in one of their branches. Some retailers are now also offering free delivery service. Mailers that contain information on product promotions and new products are also sent out to members of wholesale clubs such as Makro. Other promotions and services include the "buy one take one promo", free gift items for purchase of particular products and accumulating points and earning gifts and rewards for purchases. Most recently, Pilipinas Makro has begun newspaper advertisements in major Manila dailies.

Promo sales are usually offered during payday and special holidays like Christmas.

Credit card ownership and auto-debit of purchases through automated teller machine (ATM) bank cards have increased significantly which translates into a greater latitude for consumer purchases.

C Advantages & Challenges of the Retail Food Sector

Advantages (Sector Strengths)	Challenges
<p>Approval of the retail trade liberalization which allows foreign retailers to operate in the Philippines</p> <p>Imported brands are competitive in terms of prices</p> <p>Imported brands, especially American, are very popular with consumers</p> <p>Consumers perceive imported brands to be of higher quality than local brands.</p> <p>Proliferation of malls that encourages further expansion of retail establishments</p> <p>The population is estimated to reach 76 million in 2000 and 86 million by 2005.</p> <p>Economic growth is forecast at 4.5percent to 5.5percent in years 2000 and 2001.</p> <p>The Philippine population is becoming progressively more urban.</p>	<p>Stiff competition as a result of lowering of trade barriers</p> <p>Purchasing power of the peso dependent to a large extent on foreign exchange fluctuations</p> <p>Price is a major factor for competitiveness</p> <p>Delivery/Availability of products - Large inventories are required.</p> <p>Inadequate infrastructure to support efficient distribution of goods</p> <p>Multitude of small establishments that lack financial resources to implement necessary improvements, upgrades and expansion</p> <p>Local market generally takes smaller retail packs mainly due to affordability</p>

ROAD MAP FOR MARKET ENTRY

A. Supermarket, Super Stores, Hyper Markets or Super Centers, Clubs and Warehouse Outlets

Entry Strategy

Instead of putting up a local company in the Philippines, exporters who wish to supply food products to local food retailers may appoint an exclusive importer/distributor or engage the services of a trading firm in order to enter the market. These importers or trading firms usually have their own distributors and sometimes, they act as distributors themselves. This strategy will eliminate the inconvenience of having to register a local company and hire personnel which could be expensive in the long run. Dealing with customs and importation inconveniences are also eliminated through this entry strategy. In addition, all imported food products need to be registered with the Philippine Bureau of Food and Drug (BFAD). Only Filipino entities may register products with BFAD.

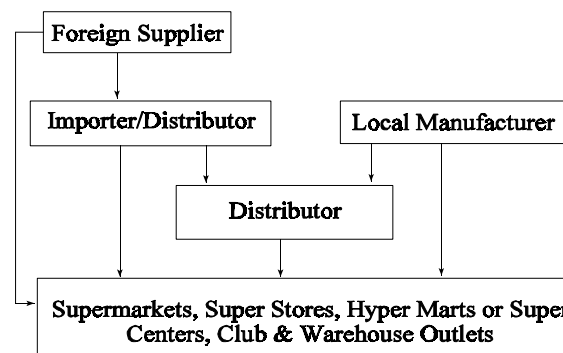
Market Structure

Figure 4. Market Structure

Large retail stores usually have many suppliers which include local manufacturing companies or their distributors, trading firms or importer/distributors. Sometimes, these importers/distributors still have sub-distributors which supply to retail stores. There are, however, retailers who import some products themselves, although sourcing from importers/distributors is the most common and preferred practice in the industry. These retailers normally have a central receiving, warehousing and distribution center.

Table 4. Company Profiles

Retailer Name & Outlet Type	Ownership	Sales (\$M)	No. of Outlets	Locations	Purchasing Agent Type
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Uniwide Sales Warehouse Club, Inc. (warehouse club)	Filipino	195.79	9	Mandaluyong City, Laguna, Quezon City, Paranaque City (2), Pampanga, Tarlac, Manila, Kalookan City	Importer Distributor Agent Direct Mfrs.
Rustans Supermarket (supermarket)	Filipino	192.15 (inc.dept. store)	22	Muntinlupa, Caloocan, Quezon City (4), Marikina Mandaluyong City, Manila (2), Makati City (2), Cebu	Importer Distributor Agent Direct Mfrs.
Pilipinas Makro Inc. (wholesale club)	Dutch Filipino	162.06	5	Quezon City Paranaque City Cainta, Rizal Cavite City	Importer Distributor Agent Direct Mfrs.
Supervalue, Inc.- SM Supermarket (super center and supermarkets)	Filipino	151.12	10	Makati City, Manila, Mandaluyong City, Quezon City (3) Las Pinas, Cavite	Importer Distributor Agent Direct Mfrs.
South Supermarket (supermarket)	Filipino	75.61	8	Makati City, Muntinlupa, Laguna (2), Pasig City, Valenzuela, Bulacan, Batangas	Importer Distributor Agent Direct Mfrs.
Walter Mart Supermarket (super center)	Filipino	8.73	5	Makati City, Quezon City, Laguna (2), Cavite	Importer Distributor Agent Direct Mfrs.
Cherry Foodarama (supermarket)	Filipino	7.5	2	Mandaluyong City, Quezon City	Importer Distributor Agent Direct Mfrs.
Price Smart (Warehouse club)	Filipino	not yet available	1	Las Pinas City	Importer Distributor Agent Direct Mfrs.

- C Most large retail stores are located in the Metro Manila area and other urban centers.
- C Pilipinas Makro and Uniwide Sales are both wholesale clubs. However, unlike Uniwide, Pilipinas Makro is not open to the general public. All purchases from Makro are strictly on a wholesale basis and customers (with specific and appropriate type of business) must apply for membership first before being allowed to buy from the store.

Note: Uniwide is currently having financial problems. Negotiations are ongoing for the takeover probably by one of its creditor bank.

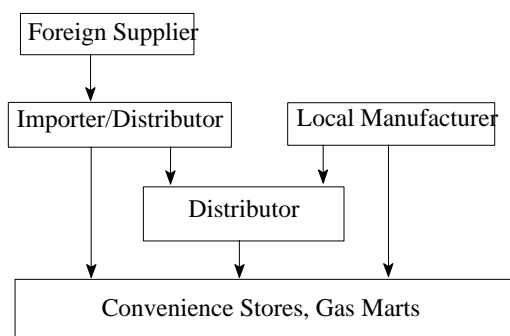
- C Compared to other big retail stores, Rustans is perceived to cater to the AB class market segment.
- C All major retail stores sell both imported and local products. In SM Supermarket, for example, there are isles specifically assigned for imported food items. Some retail stores also introduce house brands (e.g. SM Bonus and Sure Buy).
- C Malls and hypermarkets are becoming increasingly popular as shoppers prefer to go to large establishments that serve as one stop shop. Major market drivers which affect large retail stores include: the growth of the economy, increase or decrease of the pesos' purchasing power, growth of the population around their stores, the growth of the area or city where their store is located as well as the growth of nearby cities. (Note: Growth refers to developments in terms of new businesses opened, new constructions , and increase in schools or offices nearby)

B. Convenience Stores, Gas Marts

Entry Strategy

Convenience stores and gas marts in the Philippines are usually a chain of stores operated by one parent company. It is best for new-to-market exporters who would like to supply to these kind of retail stores to appoint an importer/distributor. Importers/distributors who distribute to big retailer stores also distribute to convenience stores or gas marts. However, the products for distribution in convenience stores and gas marts are basic necessities to consumers; otherwise, fast turnover of the product is not guaranteed.

Figure 6. Market Structure



Distributors must contact the head offices of these chain of convenience stores and offer to be a supplier. These distributors may be distributors of Importers/Distributors or distributors of big manufacturing firms.

Table 6. Company Profiles

Retailer Name & Outlet Type	Ownership	Sales (\$M)	No. of Outlets	Locations	Purchasing Agent Type
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Phil. Seven Corp (7-11) (convenience stores)	Filipino	80.95	150+	Metro Manila	Importer Distributor Agent Direct Mfrs.
Jollimart Corp. (Bingo) (convenience store)	Filipino	4.06	11 (19 to open)	Metro Manila	Importer Distributor Agent Direct Mfrs.
Super 24 Retail Store (convenience store)	Filipino	no financial statement yet	10	Metro Manila	Importer Distributor Agent Direct Mfrs.
Pilipinas Shell Petroleum Corp. (Select Convenience Store) (gas mart)	Filipino	not available	62	Nationwide	Importers Distributor Wholesalers Direct Mfrs.
Caltex Philippines (Star Mart) (gas mart)	Filipino	not available	50	Nationwide	Importer Distributor Agent Direct Mfrs.

- C The biggest chain of convenience stores in the Philippines is **7-11**. It is currently venturing into a franchising program and planning to add five franchises within this year. The locations include nearby urban centers. **SUPER 24** a new convenience store which has just started operation has already 10 outlets. There are other convenience stores located mostly in the Metro Manila area.
- C Imported items and locally-produced products are offered in both convenience stores and gas marts. Imported items include snack items, chocolates and fastfood items such as noodles.
- C Customers come from different segments of society. Convenience stores usually operate on a 24 hour basis. People come to these stores depending on the urgency of their needs. These stores save them time from going to big supermarkets or grocery stores and experiencing heavy traffic associated with travelling. A number of consumers buy depending on their budget. People with budget in mind buy only those which they need when they need it. Convenience Stores and Gas Marts which are mainly location-oriented are thus able to sell products to them at a premium in exchange for convenience.
- C Convenience stores are gaining popularity as consumers attach more and more importance to image, ambience, comfort and availability of products. Major market drivers for convenience stores include: economic growth, the purchasing power of the consumers and new food products which arouse the curiosity of consumers. The location of the store or gasoline station and the traffic of people passing in the area are also contributing factors.

C. Traditional Markets - "Mom & Pop" Small Independent Grocery Stores and Wet Market

Entry strategy

New-to-market exporters are advised to focus on the bigger establishments such as Super Centers, Hyper

Center, Supermarkets, Independent Supermarkets and Convenience Stores. The "Mom and Pop" stores or Sari-sari stores concentrate on selling essential household needs, so they are located mostly in the neighbourhood areas. Should the new-to-market exporter take interest in penetrating the "Mom and Pop" stores, his products must be household necessities. The best approach would be to appoint a distributor and ensure that the product is available in the warehouse stores and hypermarkets.

Major imported products available in wet markets are fresh fruits including apples, table grapes and oranges that are sourced from local wholesalers and distributors. Limited varieties of imported canned fruits and vegetables are occasionally available, like during Christmas. It is to be noted that retailers in wet markets occupy stalls that average 6 square meter. We do not expect wet market retailers to become a significant retailer of imported food products, other than for fresh fruits. Traditionally, wet markets are the main source of fresh produce and meat purchases. It is estimated that about 80 percent of food purchases are made from wet markets. This ratio becomes increasingly in favor of supermarkets especially among higher income consumers in the Metro Manila area where food purchases from wet markets are estimated at about 25 percent. There is a discernible trend towards buying more from supermarkets and away from wet markets mainly due to food safety concerns. The convenience of clean, well-lighted and one-stop shopping further encourages the shift to modern supermarkets.

Market Structure

In the case of "Mom & Pop" or Sari-sari stores, since these retail stores are quite small, they usually source their products from Super Centers or Warehouse Stores or through membership in Makro Superstore (a wholesale club). Distributors of local food manufacturers also supply to "Mom and Pop" stores.

Retailers in Wet Markets usually source their products from local wholesalers or local manufacturers.

Figure 6

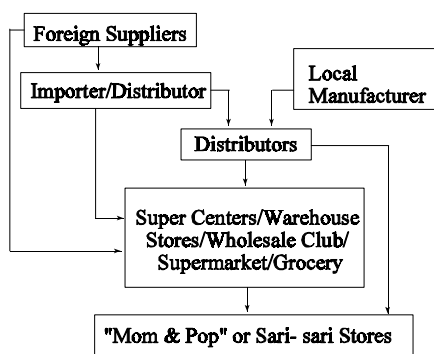
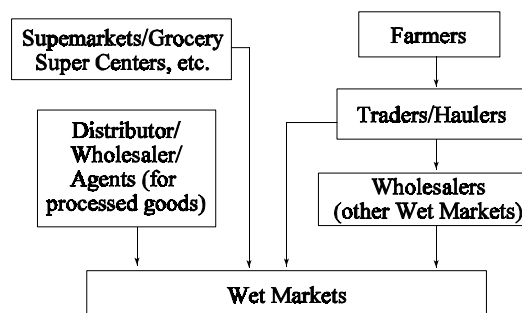


Figure 7



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or Profiles

C The "Mom and Pop" stores or Sari-sari stores are located mostly in neighbourhood areas and cater to

limited customers near their location. Owners usually operate only one store. Products available are mostly basic food and household items and usually local products.

- C Wet markets are located in every city or municipality. Items offered in wet markets are fresh produce such as meat, fish, chicken, fruits and vegetables which are comparatively lower in price than those in supermarkets or groceries. The economic growth of the country affects retailers in wet markets, as well as the consumers' purchasing power.
- Package sizes or units of sale are usually smaller because of the very limited purchasing power of consumers in these markets. Normal purchases are limited to a family's daily food requirements only.

COMPETITION

Domestically produced items account for about 80 percent of the total food supply with the balance being imported.

According to interviewed retailers, an advantage of local food products is their ready availability. They have encountered problems with imported items in terms of delivery schedules, stock availability and pricing. However, they are still very optimistic with regards to the competitiveness of imported products. Some imported items even cost less than locally-produced ones. U.S. products are very popular and have great appeal to Philippine consumers. They are perceived to be of better quality compared to imports from other Asian countries.

The ongoing tariff reductions have greatly encouraged direct importation of products from the United States. It is to be noted, however, that American and other multinational companies are increasingly establishing manufacturing plants in the Asian region.

U.S. Market Share of Imported Products

- C U.S. was the top supplier of imported food and food preparations in 1998 with a market share of 25.5 percent. China followed with 18.6 percent, Australia with 13.8 percent and Vietnam with 7.1 percent.
- C Food and food preparations are being imported as Processed Food and Fresh Food. In the Processed Food category, the United States is the top supplier to the country with a market share of 30.1 percent, followed by Australia with 18.5 percent and New Zealand with 10.1 percent.
- C In the Fresh Food category, China is the number one supplier to the country accounting for 30.7 percent of the total imports of fresh food while the United States accounts for 21.9 percent, Vietnam for 12.6 percent and Australia 10.1 percent

- C The market share of the U.S. by major product categories are as follows:

Processed Food	Country	percent Share in 1998
Meat & Meat Preparations	China U.S.	33.2 29.2
Dairy Products & Birds Eggs	Australia New Zealand U.S.	44.3 31.0 5.1
Marine Products	Hong Kong Singapore Portugal Germany Taiwan U.S.	34.2 11.5 10.0 8.7 7.3 5.7
Cereal & Cereal Preparations	Australia Belgium U.S.	43.1 12.6 9.4
Vegetables & Fruits	U.S.* China	43.0 13.7
Sugar, Sugar Preparations & Honey	Thailand Korea Malaysia Netherlands Germany U.S.	19.1 13.9 12.0 9.6 9.4 7.4
Coffee	U.S.* Belgium	47.2 19.2
Cocoa, Tea, Spices & Mfrs. thereof	U.S.* Indonesia	49.2 9.6
Misc. Edible Products & Preparations	U.S.* Netherlands	23.6 21.6

Fresh Food	Country	percent Share
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Meat & Meat Preparations	Australia India U.S.	34.4 33.1 7.1
Marine Products	Taiwan Japan Indonesia U.S.	21.4 18.3 15.7 3.4
Cereals	China U.S.	40.5 27.4
Vegetables & Fruits	U.S.* China	30.7 29.6
Coffee	Indonesia Vietnam U.S.	95.2 4.3 0.4
Cocoa, Tea, Spices & Mfrs. thereof	Indonesia P. N. Guinea Singapore U.S.	39.0 23.4 15.3 3.3

**top supplier*

Source: National Statistics Office (NSO)

BEST PRODUCT PROSPECTS

C Products Present in the market

The food products most often imported by trading companies or importers in the Philippines are:

-frozen sliced potatoes	-frozen poultry	-chocolates and candies
-frozen french fried potatoes	-frozen pork	-cookies
-hashbrowns	-frozen chicken leg quarter	-biscuits
-fresh fruits - apples,	-frozen boneless buffalo meat	-pancake mix
mandarin oranges, grapes,	-frozen boneless beef	-frozen dough products
lychees	-frozen pork belly	-oatmeal
-canned mushrooms	-vienna sausage	-snack foods incl. chips and
-canned fruit cocktail	-canned pork luncheon meat	-extruded snacks
-canned peach halves	-corned beef	-cereals
-chestnuts	-soup preparations	-frozen squid and mackerel
-young/canned corn		
-cheese		

C Products not present in significant quantities but have good sales potential

Although there are already several brands of prepared foods in the market, there is an increasing

trend for fastfood service. Interviewed retailers believe that convenient and easy to prepare items have good potential in the market. Dual-income families are now prevalent in our society and prepared foods, including microwaveable foods, are increasingly providing convenience to these consumers.

Healthy, organic foods, light foods, foods that are "low" in fat, salt, or calories seem to be also shaping up in the market.